

ECONOMY IN BRIEF

DETR RESEARCH & ANALYSIS BUREAU
Department of Economic and Community Development

December 2012

NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

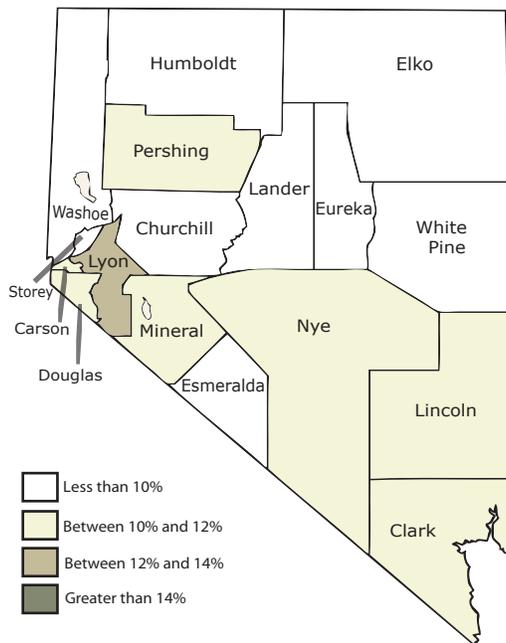
Economic Summary

Within the past month, some broad measures of Nevada's economic health have been released which support recent themes in our monthly Overviews pointing to on-going improvement in the State's labor market. The Census Bureau has released 2012 population estimates that show that Nevada is the sixth-fastest growing State in the nation. The Silver State's 1.4 percent increase (approximately 40,000) was stronger than that for each of the nine multi-state Census Regions. Prior to the recession, Nevada led the nation in growth for, essentially, two decades running.

In addition, the U.S. Bureau of Economic Analysis recently published 2012:IIIQ personal income estimates. Through the first three quarters of the year, Nevada personal income was up 1.8 percent from the same period in 2011. At the height of the recession, in 2009, income declined by nearly nine percent. Unfortunately, however, so far in the recovery, growth in Nevada has lagged that for the nation as a whole.

Switching to the labor market, all major indicators suggest that Nevada ended the year on a strong note. For instance, unemployment is down, job readings are up, and initial claims for unemployment insurance are trending down. Specifically, Nevada ended the year with four consecutive monthly declines in the unemployment rate. In December, the jobless rate tumbled from 10.8 percent to 10.2 percent. This marks the lowest reading since February 2009 and follows a 0.7 percentage point decline in November. Nevada's unemployment rate is still 2.4 percentage points higher than the national average, but that is the lowest

Unemployment Rate by County



differential since mid-2009. For all of 2012, the unemployment rate averaged 11.6 percent, down nearly two full percentage points from 2011.

As we've noted previously, these labor market barometers are subject to revision during the annual "benchmarking" process early every calendar year. In 2011, original estimates showed that the unemployment rate averaged 13 percent. However, the benchmark revisions showed more robust figures, and also increased initial estimates of the resident employment measure obtained via the monthly household survey used in calculating the jobless rate. The end result was a benchmarked unemployment rate of 13.5 percent. Although offering a guess as to what will result

Economic Indicators

<u>UNEMPLOYMENT RATES</u>	DEC 2012
NEVADA *	10.2%
LAS VEGAS-PARADISE MSA	10.0%
RENO-SPARKS MSA	9.6%
CARSON CITY MSA	10.1%
ELKO MICROPOLITAN AREA	5.2%
UNITED STATES *	7.8%
CALIFORNIA *	9.8%
* Seasonally Adjusted	
<u>JOB GROWTH (Y-O-Y)*</u>	
NEVADA	1.7%
LAS VEGAS-PARADISE MSA	1.9%
RENO-SPARKS MSA	1.4%
CARSON CITY MSA	-0.7%
UNITED STATES	1.4%
CALIFORNIA	1.6%
* Seasonally Adjusted	
<u>CONSUMER PRICE INDEX (Y-O-Y)</u>	
UNITED STATES	1.7%
<u>GAMING WIN (Y-O-Y)</u>	
NOV 2011 - NOV 2012	
NEVADA	-11.1%
CLARK COUNTY	-12.9%
WASHOE COUNTY	-3.1%
<u>TAXABLE SALES (Y-O-Y)</u>	
OCT 2011 - OCT 2012	
NEVADA	4.3%
CLARK COUNTY	5.2%
WASHOE COUNTY	-2.0%

in this year's benchmarks is an inherently risky exercise, it would not surprise us to see the same type of revision unfold.

In absolute terms, the number of unemployed came in at a seasonally adjusted 138,800 in December. A year ago, 179,700 Nevadans were counted

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December 2012

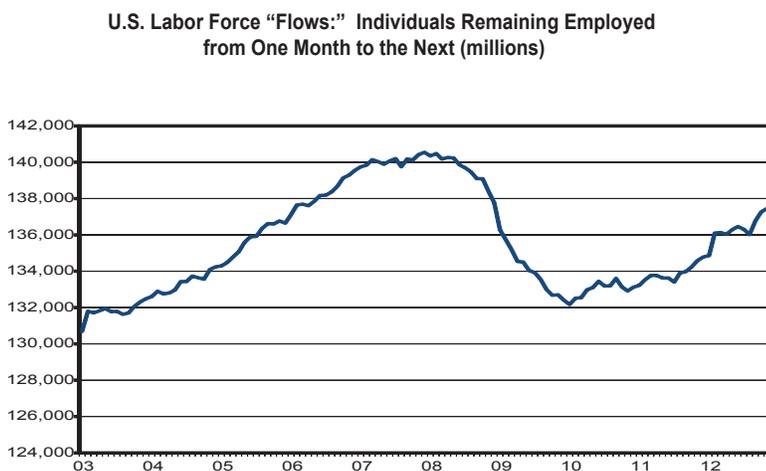
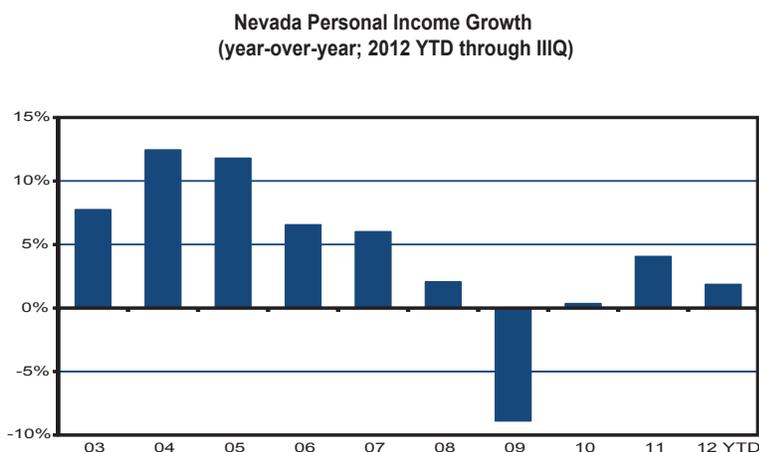
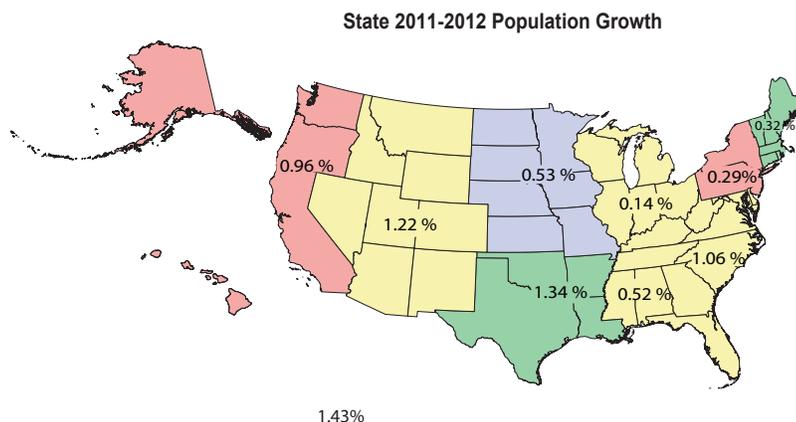
amongst the unemployed.

One thing that has become evident in recent years is that Nevada's economic fundamentals are very much influenced by trends beyond our borders—in the nation and in the international arena. Recent improvement in Nevada's labor markets has unfolded in the midst of similar improvement at the national level. A number of structural indicators are pointing to improvement nationwide. For instance, after tumbling during the recession, the number of individuals nationwide able to maintain their employment from month-to-month is on the rise. At the height of the recession, about 132 million Americans maintained their employment from month-to-month, based upon survey results. This measure has been on the upswing since 2010, and currently stands at 137.4 million.

For all of 2012, the unemployment rate declined in each of Nevada's 17 counties compared to 2011. (As an aside, sub-State information will be subject to the same benchmarking process as the Statewide data discussed above.) Four counties--Storey, Nye, Lyon, and Clark--recorded declines in excess of two percentage points.

As for December results in the State's three major population centers, Carson City is home to the highest jobless rate, 10.1 percent. Las Vegas' rate is ten percent. For the second month in a row, the Reno/Sparks metro area is home to a single-digit unemployment rate, 9.6 percent. All three regions recorded a month-over-month decline.

The news on the employment front also impressed at year-end. At a seasonally adjusted 1.15 million in December, nonagricultural job readings in Nevada stand 18,700 higher than a year ago. This is the strongest such increase for all of 2012. December results exceeded expectations. Based upon historical trends, we would have expected a loss of 2,100 jobs in December, relative to November. However, in 2012, the decline



Economic Summary

was just 100. The end result is a November-December increase of 2,000, seasonally adjusted. In fact, a seasonally adjusted monthly gain was recorded in each of the final four months of the year.

For all of 2012, job readings were up 9,300 compared to the prior year (11,900 in the private sector). However, just as with the unemployment rate, our job numbers will be revisited and revised in the upcoming benchmarking process. Original estimates for 2011 showed a year-over-year gain of 2,100. After benchmark revisions, that increase came in at 7,800.

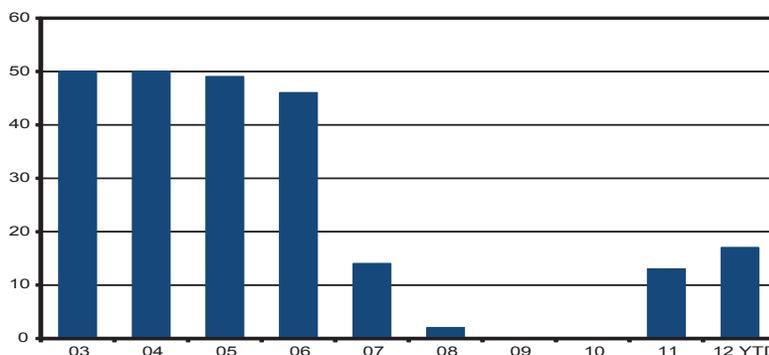
As discussed previously, our expectations are for the original 2012 estimates to be adjusted upward, based upon available information from the Quarterly Census of Employment and Wages (QCEW) Program through the first half of 2012. This series provides a complete count of employment based upon information provided by employers participating in the Unemployment Insurance System. The QCEW allows us to assess employment trends with the utmost of confidence and offers a way to assess Nevada's progress through the recovery to date. In 2010, private sector jobs in Nevada totaled 958,000. By 2011, job counts had risen to 970,000, an increase of 12,000 jobs. Through the first half of 2012 (the latest available information), job readings were trending another 17,000 higher than a year ago. So, it appears that Nevada is on its way to having added 25,000-30,000 jobs over the 2010-2012 period.

As the State's job growth has rebounded, Nevada has moved up the job growth rankings. Prior to the recession, Nevada led the nation in terms of private sector job growth. At the height of the downturn, Nevada was home to the most pronounced job losses in the nation in both 2009 and 2010. Since then, we have started to make up lost ground. The 1.7 percent increase in private sector jobs during the first half of 2012 in the Silver State was stronger than growth in 17

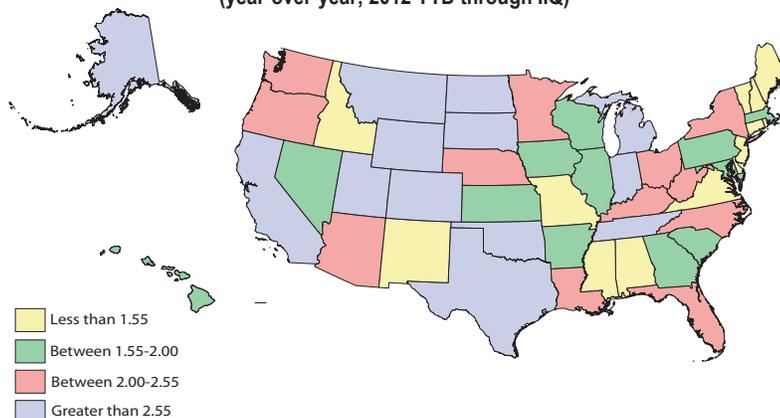
Quarterly Census of Employment and Wages (QCEW) Since 2010

	Total (Private+Public)	Private Sector
2010 Baseline	1,108,000	958,000
Calculation of 2011 Growth		
2011	1,115,000	970,000
Growth from 2010	7,000	12,000
Calculation of 2012 Year-to-Date Growth		
2011 Year-to-Date (through IIQ)	1,109,000	961,000
2012 Year-to-Date (through IIQ)	1,124,000	978,000
Year-to-Date Growth from 2011	15,000	17,000
Total Growth Since 2010 (2011 Growth Plus 2012 Year-to-Date Growth)	22,000	29,000

Number of States with a Lower Private Sector Job Growth Rate than Nevada



Job Growth by State (year-over-year; 2012 YTD through IIQ)



Economic Summary

other states. So, improvement is evident, but much ground is left to be made up.

As for the State's metro areas, Las Vegas led the way with a seasonally adjusted gain of 4,300 jobs in December. The region ended the year with three consecutive seasonally adjusted gains. Employment is up 15,600 relative to December 2011. For all of 2012, the region saw employment increase 6,400.

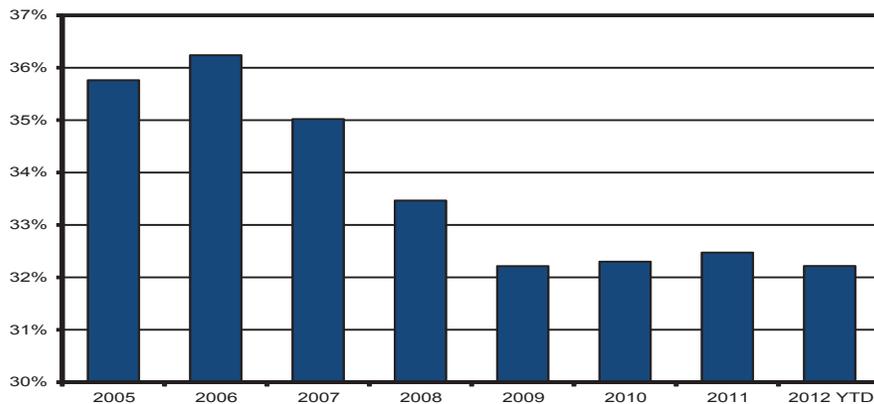
While Reno/Sparks employment levels stand 3,000 above a year ago in December, underlying trends were somewhat weak. Whereas 500 new jobs were expected relative to November, based upon normal seasonal patterns, there was actually a decline of 100. The end result is a seasonally adjusted loss of 600 relative to November. Average monthly job levels throughout 2012 were up about 500 compared to the prior year.

Trends in Carson City at year-end are similar to those evident throughout 2012, and can best be described as flat. Employment was unchanged over the month in December and off by just 100 from a year ago. For all of 2012, employment was down 800 relative to 2011.

Once again, the leisure/hospitality industry leads the way in December. In fact, throughout the entire year, job readings in the State's largest industry (in terms of employment) are up 6,100 compared to 2011, a result entirely consistent with the well-publicized on-going gains in Las Vegas visitor numbers, which have been on the rise since mid-2009.

This month, we examine Nevada's share of "direct" (casino hotels and gambling) gaming jobs nationwide. Available evidence shows that Nevada accounted for 32-33 percent of all gaming jobs over the past four years, down from a 35+ percent share in the middle part of the 2000s. Some of the decline is certainly structural in nature, and reflects the spread of gaming beyond Nevada's borders. Some of the drop may also reflect the cyclical impacts of the

Nevada's Share of U.S. "Direct" Gaming Employment

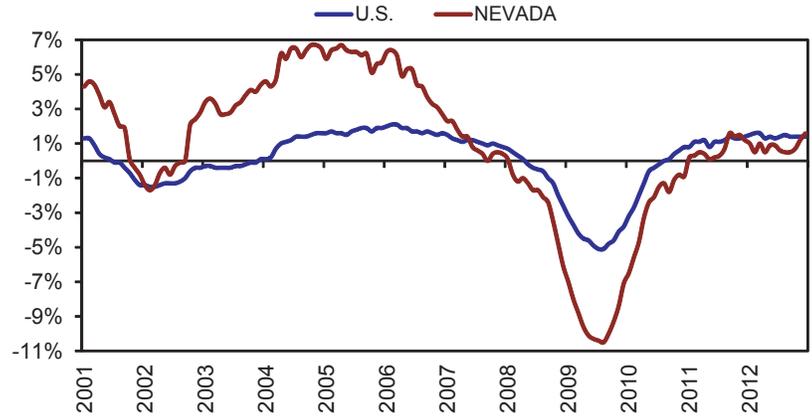


Trends at a Glance

Industrial Employment

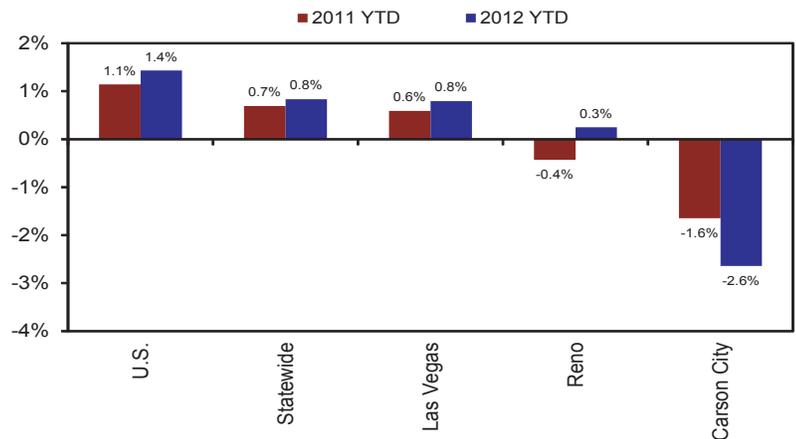
- Industrial employment in Nevada grew at a rate of 1.6 percent in December relative to a year prior, equating to a gain of 18,000 jobs.
- For the US, December job readings were up 1.4 percent relative to December 2011, equating to a gain of 1,857,000 jobs.

Job Growth
(Year-Over-Year Percent Change)
U.S. vs Nevada



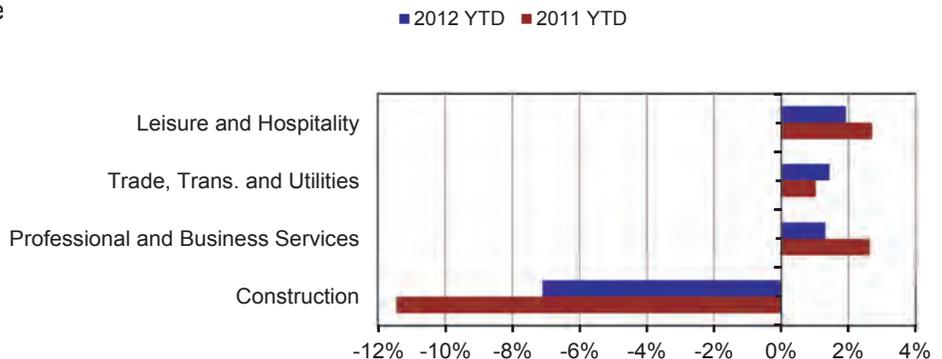
- The year-to-date annual rate of change in jobs remains better than a year ago throughout most regions of the State.
- The Las Vegas MSA's job count increased 0.8 percent YTD in December relative to the same period in 2011.
- In the Reno-Sparks MSA, YTD job readings have increased by 0.3 percent since 2011.
- In Carson City, employment fell 2.6 percent YTD, and is the only metro area to have fewer jobs now than the same period as last year.

Job Growth by Region
(YTD through December, Not Seasonally Adjusted)



- Jobs in the State's largest industry, leisure and hospitality, are up 1.9 percent YTD through December. A year earlier, YTD job readings were up 2.9 percent over the same time frame.
- The professional and business services sector increased 1.1 percent YTD through December 2012 from a year earlier.
- Jobs in the trade, transportation, and utilities sectors are up 1.6 percent YTD relative to the same time frame in 2011.
- Approximately 3,600 jobs have been lost in the construction industry over the past year equating to a 6.8 percent YTD decline.

Job Growth by Industry
(YTD through December, Not Seasonally Adjusted)

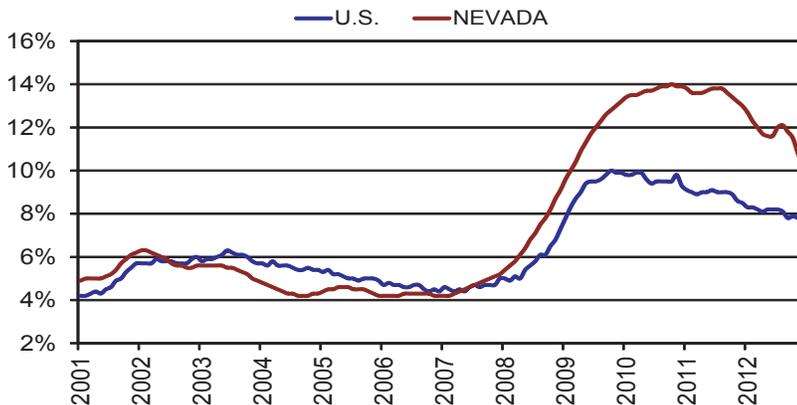


Trends at a Glance

Unemployment

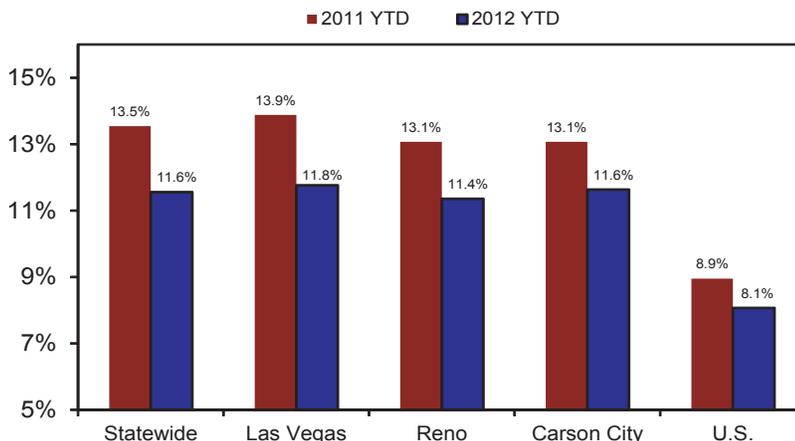
- December's seasonally adjusted unemployment rate in Nevada fell by 0.6 percentage point from last month to 10.2 percent.
- Nationally, the unemployment rate held steady from November to December at 7.8 percent.
- Nevada is tied for the highest unemployment rate in the nation (with Rhode Island), exceeding the national average by 2.4 percentage points. The next highest is California with a rate of 9.8 percent.

**Unemployment Rates
U.S. vs Nevada
(Seasonally Adjusted)**



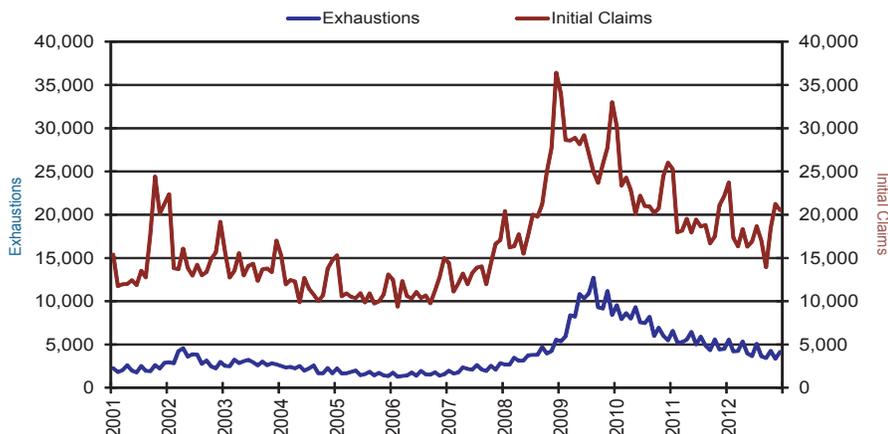
- At 11.6 percent, the statewide unadjusted unemployment rate is down 1.9 percentage points YTD from 2011 to 2012.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 11.8 percent YTD through December, a 2.1 point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 11.4 percent YTD through December. This equates to a decrease of 1.7 percentage points compared to the same period last year.
- The jobless rate in Carson City was 11.6 percent YTD through December, down 1.5 percentage points over the first 12 months of 2011.

**Unemployment Rate by Region
(YTD through Dec, Not Seasonally Adjusted)**



- In December, 20,526 initial claims were filed in Nevada, compared to 22,147 in December 2011, a 7.3 percent decrease over the year. Initial claims actually fell from November to December, an event so rare it last occurred in the early 1970s.
- Final payments, signifying an exhaustion of regular State benefits, increased by 786 over the month with 4,142 exhaustees recorded in December. Over-the-year, final payments were down 7.7 percent.

**Nevada Unemployment Insurance: Initial Claims and Exhaustions
(final payments)**

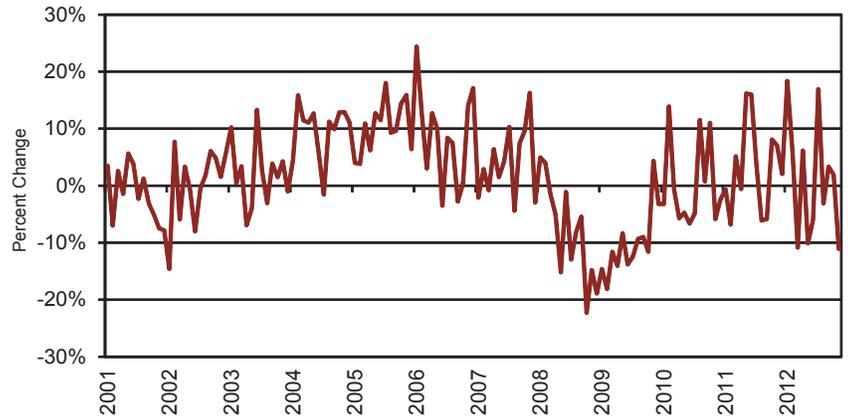


Trends at a Glance

Economic Indicators

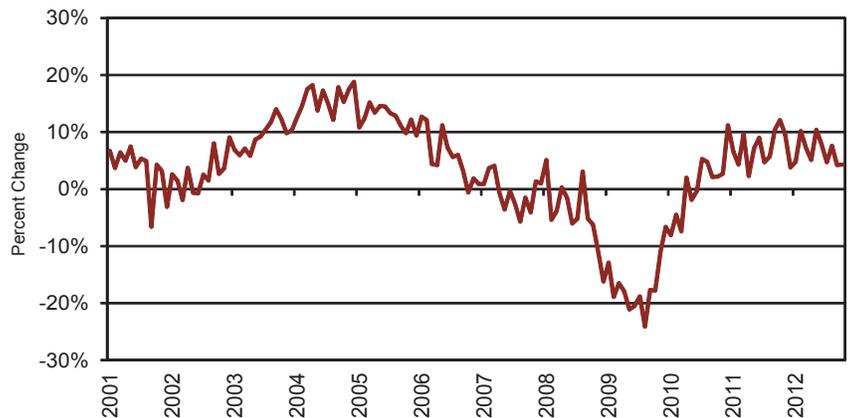
- Nevada's non-restricted gaming licensees reported an 11.1 percent decline in gaming win compared to November 2011.
- For the fiscal year-to-date (7/1/2012 to 11/30/2012), gaming win has increased 1.5 percent compared to the same period in 2011.

Nevada Gross Gaming Win
(Year-Over-Year Percentage Change)



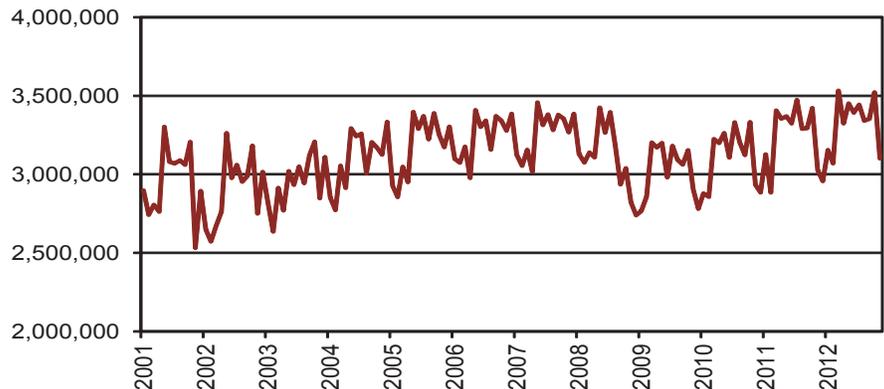
- In October, taxable sales increased 4.3 percent over October 2011 with collections totaling \$3,668,805,952.
- For the fiscal year-to-date, taxable sales are up 5.2 percent compared to the same period in 2011.

Statewide Taxable Sales
(Year-Over-Year Percentage Change)



- Las Vegas visitor volume increased 75,531 in November relative to a year prior, a 2.5 percent increase.
- Year-to-date, visitor volume is up two percent in 2012 compared to a year earlier.

Las Vegas Monthly Visitor Volume

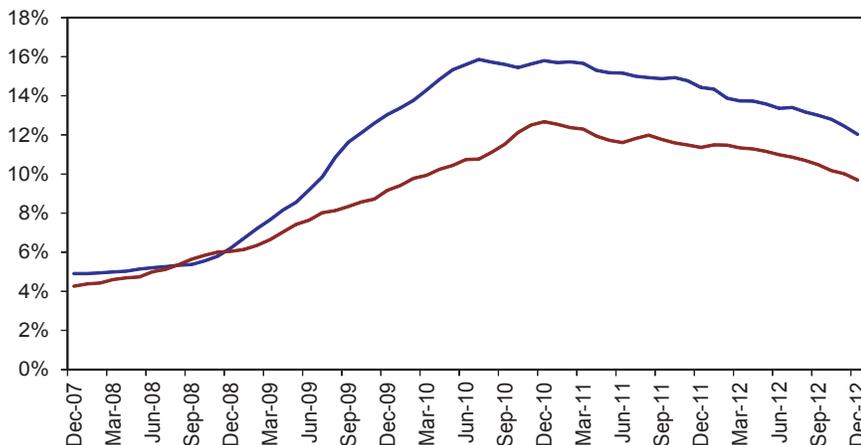


Trends at a Glance

Demographics of the Unemployed

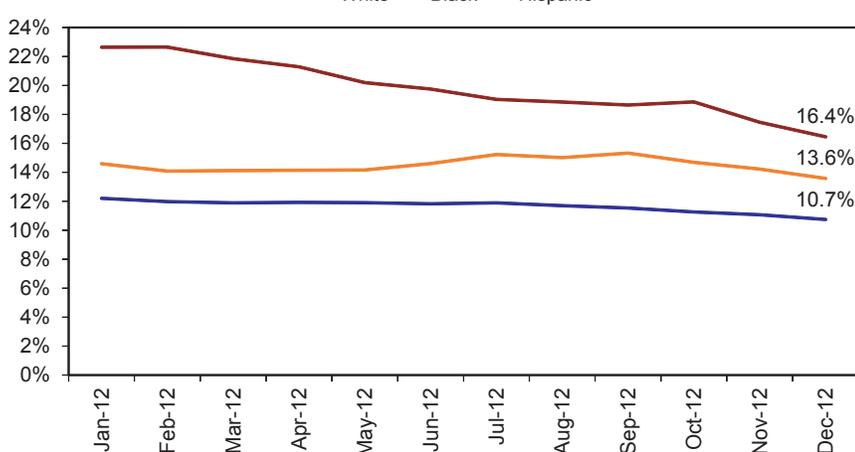
- The male unemployment rate fell by 0.4 percentage point to 12.0 percent from November to December.
- The female unemployment rate was down 0.3 to 9.7 percent.
- Traditionally male dominated industries, such as construction, have lost the most jobs during the recession, while female dominated industries have fared better overall.

Unemployment Rate by Sex
(12-Month Moving Average, CPS Data)



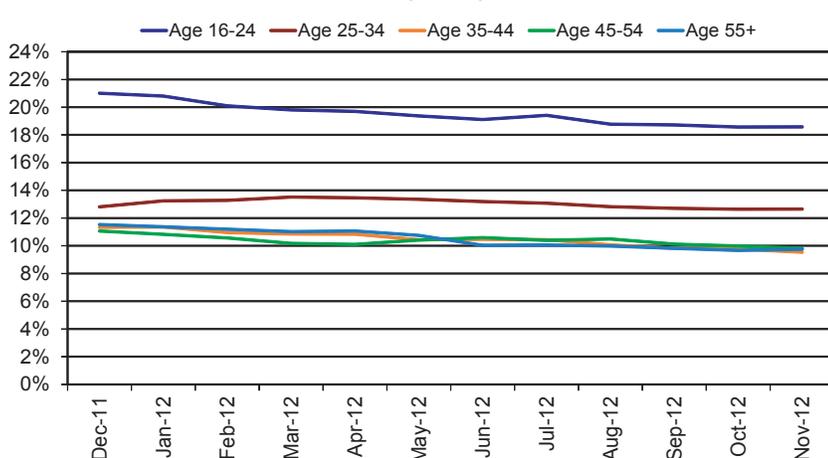
- The unemployment rate for Nevada's Hispanic labor force fell to 13.6 percent in December from 14.2 percent in November.
- The rate for Nevada's unemployed Black labor force decreased 1.1 percentage points to 16.4 percent.
- The unemployment rate for Nevada's White labor force was down 0.4 percentage point to 10.7 percent.

Unemployment Rate by Ethnicity
(12-Month Moving Average, CPS Data)



- At 18.6 percent, the unemployment rate for Nevada's youngest workers, age 16-24, continued to trend higher than any other age group. However, over-the-year, this age group's unemployment rate declined the most, falling by 2.4 percentage points since last year.
- The unemployment rate for workers age 25-34 was 12.6 percent in December and is down by a mere 0.3 since last year.
- The unemployment rate for Nevada's oldest workers is 9.8 percent, the same reading as last month and 1.7 percentage points lower than last year.

Unemployment Rate by Age Group
(12-Month Moving Average, CPS Data)

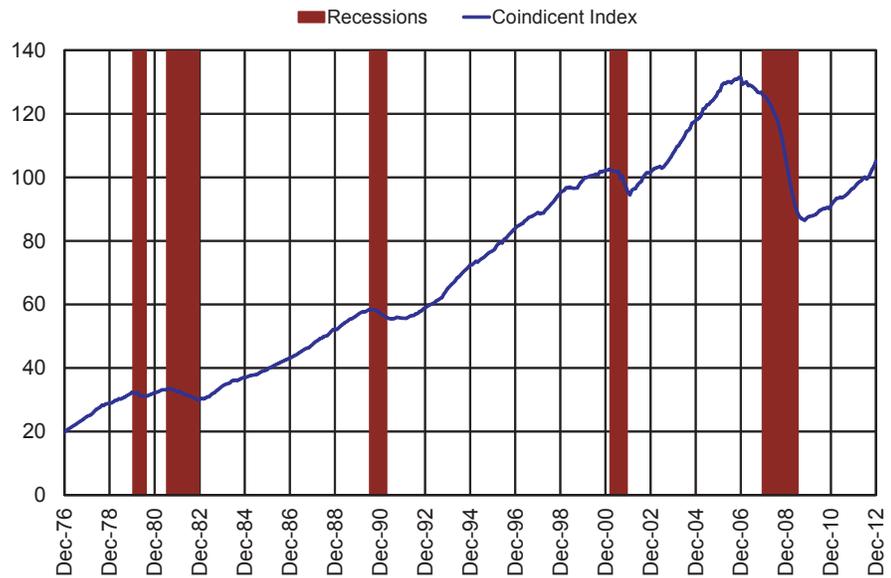


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

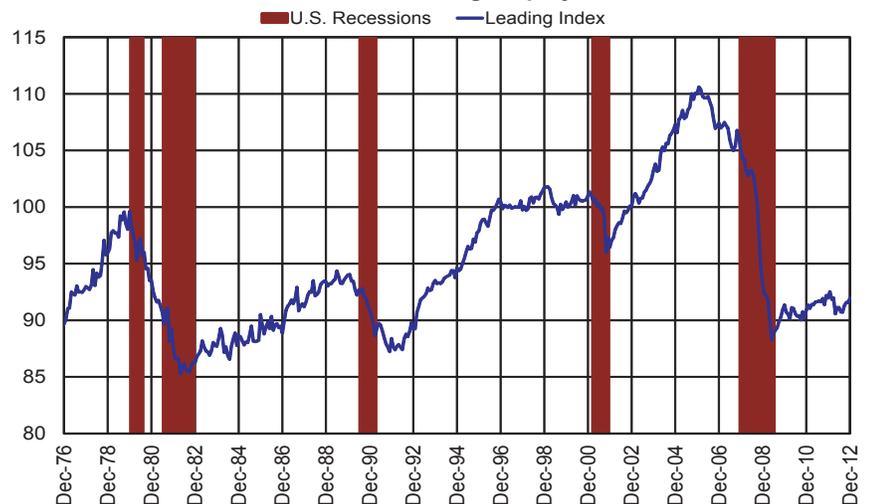
- The Nevada Coincident Employment Index measures the ups and downs of the Nevada economy using an index of employment variables. The peak of the last employment cycle in Nevada occurred in December 2006. The coincident index then regressed steadily through October 2009, where the coincident index reached a bottom.
- Comparing the peak to trough decline during the Great Recession, the coincident index has recovered 44 percent of the loss. In October 2012, we did pass the previous peak of February 2001 prior to the early 2000s recession.
- The December release of seasonally adjusted data conveys a consistent, positive story for the coincident index. On a year-over-year basis, the unemployment rate (inverted), household employment, nonfarm employment, and the insured unemployment rate (inverted) all moved in a positive direction.

CBER-DETR Nevada Coincident Employment Index



- The Nevada Leading Employment Index provides a signal about the future direction of the coincident index. For example, for the most recent employment recession, the leading index provided a clear signal by peaking in January 2006, eleven months before the coincident index reached its peak and reached a bottom in May 2009, five months before the coincident index reached its bottom.
- The leading index continues to tell a mixed story on a year-over-year basis. The short-duration unemployment rate (inverted), commercial permits, and initial claims for unemployment insurance (inverted) moved in a positive direction whereas housing permits, the real Moody's Baa bond rate (inverted), and construction employment moved in a negative direction.

CBER-DETR Nevada Leading Employment Index

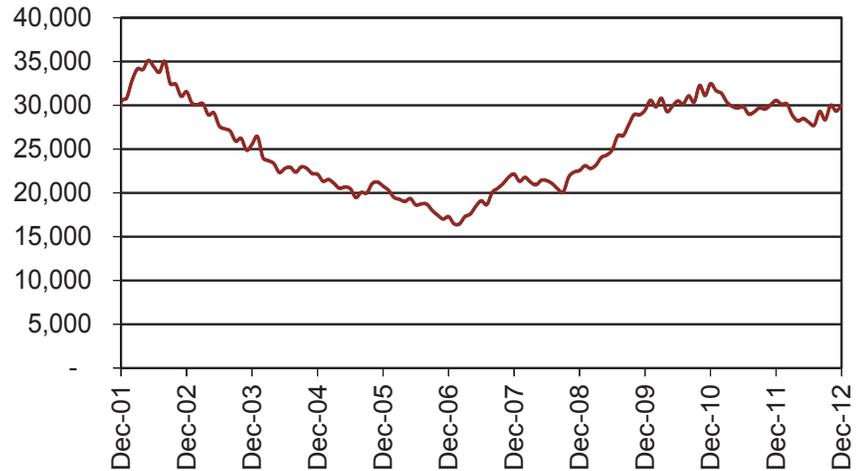


Trends at a Glance

Welfare Indicators

- The Temporary Assistance for Needy Families (TANF) program provides time-limited cash assistance to low-income families with children so they can be cared for in their own home. TANF also seeks to reduce dependency by promoting job preparation, reducing out-of-wedlock pregnancies and encouraging the formation and maintenance of two-parent families. As an economic indicator, TANF reveals information on the relative well-being of Nevada's low-income families. The number of recipients in the program is strongly influenced by the ups and downs of the business cycle.
- In December, 30,031 individuals were receiving assistance. Since December of last year, the level of assistance decreased modestly by 1.7 percent, or 528 fewer recipients.

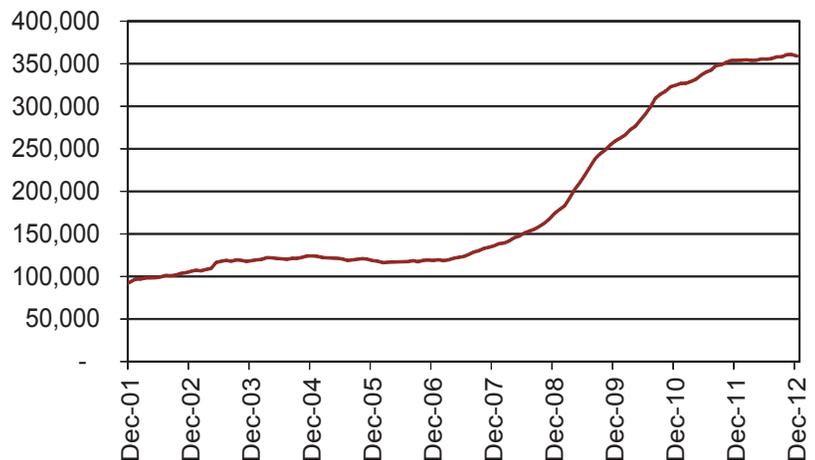
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



Source: Nevada Department of Health and Human Services

- The Supplemental Nutrition Assistance Program (SNAP), formerly known as “food stamps”, provides the means to increase food purchasing power to raise the nutritional level among low-income households and is the first line of defense against hunger for thousands of Nevadans.
- In December, 358,892 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance had a slight increase of 1.4 percent, or 5,003 more recipients.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



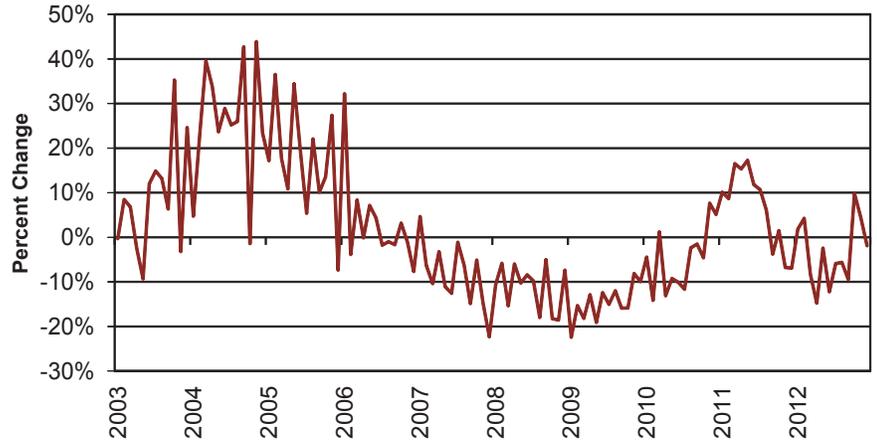
Source: Nevada Department of Health and Human Services

Trends at a Glance

Business Activity

- New business entity formations are comprised of both domestic and foreign entities forming/registering in the State. Trends indicate directional insight into business formation and investments.
- In December, new business filings were down 1.9 percent over December 2011. Year-to-date the formation of new businesses are down 3.8 percent compared to the same period last year.

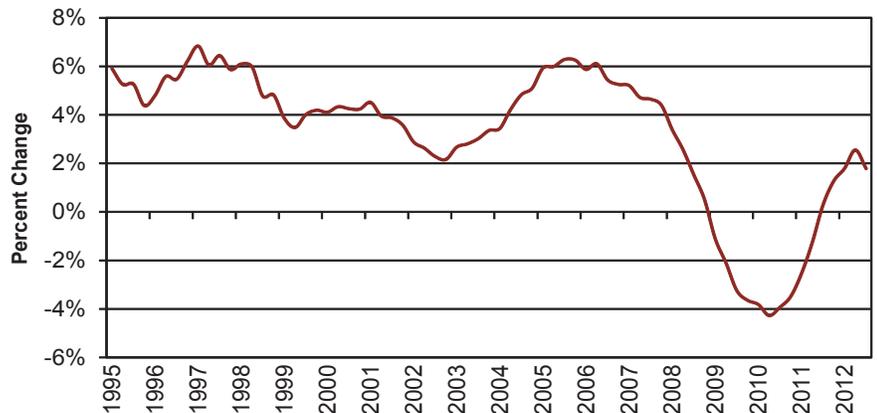
Business Entity Formations
(Year-Over-Year Percentage Change)



Source: Nevada Secretary of State

- The State unemployment insurance (UI) contribution operations report identifies the number of UI-liable employers processed each quarter.
- During the third quarter of 2012 there were 57,403 employers subject to UI taxes. Compared to the same quarter in 2011, there are 1,007 more employers in the program, a 1.8 percent increase.

U.I. Contributory Employers
(Year-Over-Year Percentage Change)



Employment and Labor Force Summary

Nevada

Employment By Industry

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Nonfarm Employment	1155.1	1137.1	1155.2	18.0	-0.1	9.4	1.6%	0.0%	0.8%
Goods Producing Industries	103.3	104.3	103.4	-1.0	-0.1	-2.3	-1.0%	-0.1%	-2.2%
Natural Resources and Mining	16.2	14.8	16.3	1.4	-0.1	2.0	9.5%	-0.6%	14.5%
Construction	50.2	51.7	49.9	-1.5	0.3	-3.6	-2.9%	0.6%	-6.8%
Manufacturing	36.9	37.8	37.2	-0.9	-0.3	-0.7	-2.4%	-0.8%	-1.9%
Service Producing Industries	1051.8	1032.8	1051.8	19.0	0.0	11.7	1.8%	0.0%	1.1%
Trade, Transportation & Utilities	227.0	219.9	226.0	7.1	1.0	3.3	3.2%	0.4%	1.6%
Wholesale	35.7	33.6	35.8	2.1	-0.1	1.2	6.3%	-0.3%	3.7%
Retail	137.2	132.6	136.9	4.6	0.3	0.5	3.5%	0.2%	0.4%
Trans, Warehousing and Utilities	54.1	53.7	53.3	0.4	0.8	1.6	0.7%	1.5%	3.2%
Information	12.6	12.6	12.7	0.0	-0.1	0.3	0.0%	-0.8%	2.0%
Financial Activities	52.4	52.4	52.6	0.0	-0.2	-0.7	0.0%	-0.4%	-1.4%
Finance and Insurance	30.1	30.5	30.2	-0.4	-0.1	-0.6	-1.3%	-0.3%	-1.8%
Professional & Business Services	137.8	139.8	142.4	-2.0	-4.6	1.5	-1.4%	-3.2%	1.1%
Education & Health Services	110.1	104.1	108.7	6.0	1.4	2.8	5.8%	1.3%	2.7%
Health Care and Social Assistance	99.6	94.5	98.3	5.1	1.3	2.2	5.4%	1.3%	2.3%
Leisure & Hospitality	327.0	321.0	324.8	6.0	2.2	6.1	1.9%	0.7%	1.9%
Casino Hotels	179.5	180.1	179.8	-0.6	-0.3	0.5	-0.3%	-0.2%	0.3%
Food Services and Drinking Places	106.2	99.7	104.0	6.5	2.2	4.7	6.5%	2.1%	4.8%
Other Services	33.9	33.9	34.1	0.0	-0.2	0.8	0.0%	-0.6%	2.5%
Government	151.0	149.1	150.5	1.9	0.5	-2.5	1.3%	0.3%	-1.6%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Labor Force	1353.6	1379.0	1353.3	-25.4	0.3	-21.9	-1.8%	0.0%	-1.6%
Unemployment	132.8	178.3	138.5	-45.5	-5.7	-31.5	-25.5%	-4.1%	-16.8%
Unemployment Rate	9.8%	12.9%	10.2%	**	**	**	**	**	**
Unemployment Rate (SA)	10.2%	13.0%	10.8%	**	**	**	**	**	**
Total Employment	1220.9	1200.8	1214.8	20.1	6.1	-70.6	1.7%	0.5%	-5.9%

Size Class of Industries - Second Quarter 2012

(Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
9	1000+	75	178,080	17.9%
8	500-999	101	69,355	7.0%
7	250-499	225	77,846	7.8%
6	100-249	947	137,802	13.9%
5	50-99	1,727	118,345	11.9%
4	20-49	5,269	156,996	15.8%
3	10-19	8,595	116,700	11.7%
2	5-9	11,995	79,857	8.0%
1	0-4	42,331	59,846	6.0%
Total		71,265	994,827	100.0%

Largest Private Employers - June 2012

Employer	Employees	Industry
WYNN LAS VEGAS	8000 to 8499	Casino Hotels
BELLAGIO LLC	7500 to 7999	Casino Hotels
MGM GRAND HOTEL/CASINO	7500 to 7999	Casino Hotels
ARIA RESORT & CASINO LLC	7000 to 7499	Casino Hotels
MANDALAY BAY RESORT AND CASINO	6500 to 6999	Casino Hotels
CAESARS PALACE	5000 to 5499	Casino Hotels
RIO HOTEL & CASINO	4500 to 4999	Casino Hotels
THE VENETIAN CASINO RESORT	4000 to 4499	Casino Hotels
MIRAGE CASINO-HOTEL, THE	4000 to 4499	Casino Hotels
THE PALAZZO CASINO RESORT	3500 to 3999	Casino Hotels
THE COSMOPOLITAN OF LAS VEGAS	3500 to 3999	Casino Hotels
FLAMINGO LAS VEGAS OPERATING C	3000 to 3499	Casino Hotels
ENCORE LAS VEGAS	3000 to 3499	Casino Hotels

Avg Wages By Industry - QCEW Data

Second Quarter 2012

Industry	Avg. Weekly Wage
Total, All Industries	\$790
Natural Resources and Mining	\$1,435
Construction	\$985
Manufacturing	\$973
Trade, Transportation and Utilities	\$715
Information	\$1,101
Financial Activities	\$970
Professional and Business Service	\$984
Education and Health Services	\$934
Leisure and Hospitality	\$588
Other Services	\$626
Unclassified	\$976

Employment and Labor Force Summary

Las Vegas-Paradise

Employment By Industry

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Nonfarm Employment	830.6	814.9	828.3	15.7	2.3	6.4	1.9%	0.3%	0.8%
Goods Producing Industries	55.9	58.4	54.8	-2.5	1.1	-2.3	-4.3%	2.0%	-4.0%
Natural Resources and Mining	0.3	0.2	0.3	0.1	0.0	0.1	50.0%	0.0%	33.3%
Construction	35.9	38.4	34.8	-2.5	1.1	-2.6	-6.5%	3.2%	-6.9%
Manufacturing	19.7	19.8	19.7	-0.1	0.0	0.2	-0.5%	0.0%	1.1%
Service Producing Industries	774.7	756.5	773.5	18.2	1.2	8.8	2.4%	0.2%	1.2%
Trade, Transportation & Utilities	162.0	154.8	161.9	7.2	0.1	3.7	4.7%	0.1%	2.5%
Wholesale	23.3	20.9	23.1	2.4	0.2	1.2	11.5%	0.9%	5.7%
Retail	102.3	97.7	102.8	4.6	-0.5	1.8	4.7%	-0.5%	2.0%
Trans, Warehousing and Utilities	36.4	36.2	36.0	0.2	0.4	0.7	0.6%	1.1%	1.9%
Information	9.1	9.3	9.2	-0.2	-0.1	0.1	-2.2%	-1.1%	0.7%
Financial Activities	38.6	39.0	38.6	-0.4	0.0	-1.3	-1.0%	0.0%	-3.4%
Finance and Insurance	21.3	22.2	21.3	-0.9	0.0	-1.1	-4.1%	0.0%	-4.8%
Professional & Business Services	98.4	100.9	101.3	-2.5	-2.9	-1.7	-2.5%	-2.9%	-1.7%
Education & Health Services	77.3	72.2	75.8	5.1	1.5	2.4	7.1%	2.0%	3.3%
Health Care and Social Assistance	68.2	65.1	67.1	3.1	1.1	1.3	4.8%	1.6%	1.9%
Leisure & Hospitality	270.4	262.9	267.6	7.5	2.8	6.4	2.9%	1.0%	2.5%
Casino Hotels	157.3	155.6	157.5	1.7	-0.2	2.6	1.1%	-0.1%	1.7%
Food Services and Drinking Places	84.0	79.1	81.6	4.9	2.4	3.7	6.2%	2.9%	4.7%
Other Services	24.1	24.0	24.4	0.1	-0.3	0.6	0.4%	-1.2%	2.4%
Government	94.8	93.4	94.7	1.4	0.1	-1.3	1.5%	0.1%	-1.3%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Labor Force	974.4	987.5	971.3	-13.1	3.1	-14.2	-1.3%	0.3%	-1.4%
Unemployment	97.0	131.2	101.3	-34.2	-4.3	-22.7	-26.1%	-4.2%	-16.5%
Unemployment Rate	10.0%	13.3%	10.4%	**	**	**	**	**	**

Total Employment	877.4	856.3	870.0	21.1	7.4	8.5	2.5%	0.9%	1.0%
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Size Class of Industries - Second Quarter 2012 (Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
9	1000+	58	151,097	20.7%
8	500-999	80	55,568	7.6%
7	250-499	161	55,836	7.7%
6	100-249	689	100,139	13.7%
5	50-99	1,253	86,220	11.8%
4	20-49	3,593	107,803	14.8%
3	10-19	5,862	79,854	11.0%
2	5-9	7,943	52,956	7.3%
1	0-4	28,401	38,912	5.3%
Total		48,040	728,385	100.0%

Largest Private Employers - June 2012

Employer	Employees	Industry
WYNN LAS VEGAS	8000 to 8499	Casino Hotels
BELLAGIO LLC	7500 to 7999	Casino Hotels
MGM GRAND HOTEL/CASINO	7500 to 7999	Casino Hotels
ARIA RESORT & CASINO LLC	7000 to 7499	Casino Hotels
MANDALAY BAY RESORT AND CASINO	6500 to 6999	Casino Hotels
CAESARS PALACE	5000 to 5499	Casino Hotels
RIO HOTEL & CASINO	4500 to 4999	Casino Hotels
THE VENETIAN CASINO RESORT	4000 to 4499	Casino Hotels
MIRAGE CASINO-HOTEL, THE	4000 to 4499	Casino Hotels
THE PALAZZO CASINO RESORT	3500 to 3999	Casino Hotels
THE COSMOPOLITAN OF LAS VEGAS	3500 to 3999	Casino Hotels
FLAMINGO LAS VEGAS OPERATING C	3000 to 3499	Casino Hotels
ENCORE LAS VEGAS	3000 to 3499	Casino Hotels

Avg Wages By Industry - QCEW Data Second Quarter 2012

Industry	Avg. Weekly Wage
Total, All Industries	\$776
Natural Resources and Mining	\$847
Construction	\$995
Manufacturing	\$990
Trade, Transportation and Utilities	\$703
Information	\$1,125
Financial Activities	\$959
Professional and Business Service	\$965
Education and Health Services	\$938
Leisure and Hospitality	\$624
Other Services	\$601
Unclassified	\$926

Employment and Labor Force Summary

Reno-Sparks

Employment By Industry

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Nonfarm Employment	195.0	192.3	195.1	2.7	-0.1	0.5	1.4%	-0.1%	0.3%
Goods Producing Industries	19.8	19.8	19.9	0.0	-0.1	-0.8	0.0%	-0.5%	-4.1%
Natural Resources and Mining	0.4	0.3	0.4	0.1	0.0	0.0	33.3%	0.0%	13.9%
Construction	8.2	8.4	8.4	-0.2	-0.2	-0.5	-2.4%	-2.4%	-6.0%
Manufacturing	11.2	11.1	11.1	0.1	0.1	-0.4	0.9%	0.9%	-3.1%
Service Producing Industries	175.2	172.5	175.2	2.7	0.0	1.3	1.6%	0.0%	0.8%
Trade, Transportation & Utilities	45.2	43.8	44.8	1.4	0.4	0.5	3.2%	0.9%	1.1%
Wholesale	9.2	8.8	9.1	0.4	0.1	0.1	4.5%	1.1%	1.2%
Retail	23.1	22.4	23.0	0.7	0.1	0.1	3.1%	0.4%	0.5%
Trans, Warehousing and Utilities	12.9	12.6	12.7	0.3	0.2	0.2	2.4%	1.6%	1.9%
Information	2.1	2.2	2.2	-0.1	-0.1	0.0	-4.5%	-4.5%	-1.1%
Financial Activities	8.8	8.9	8.8	-0.1	0.0	-0.2	-1.1%	0.0%	-1.8%
Finance and Insurance	5.6	5.6	5.5	0.0	0.1	0.0	0.0%	1.8%	-0.6%
Professional & Business Services	24.7	24.8	25.4	-0.1	-0.7	0.0	-0.4%	-2.8%	0.1%
Education & Health Services	22.8	22.3	22.7	0.5	0.1	0.2	2.2%	0.4%	0.9%
Leisure & Hospitality	36.9	36.0	36.7	0.9	0.2	1.5	2.5%	0.5%	4.2%
Casino Hotels	14.4	14.9	14.3	-0.5	0.1	-0.3	-3.4%	0.7%	-2.1%
Food Services and Drinking Places	13.7	13.0	13.7	0.7	0.0	0.5	5.4%	0.0%	3.7%
Other Services	6.1	6.2	6.2	-0.1	-0.1	0.0	-1.6%	-1.6%	0.5%
Government	28.6	28.3	28.4	0.3	0.2	-0.7	1.1%	0.7%	-2.5%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Labor Force	223.0	226.2	223.3	-3.2	-0.3	-3.3	-1.4%	-0.1%	-1.5%
Unemployment	21.3	28.0	22.2	-6.7	-0.9	-4.3	-23.9%	-4.1%	-14.4%
Unemployment Rate	9.6%	12.4%	9.9%	**	**	**	**	**	**
Total Employment	201.7	198.2	201.1	3.5	0.6	0.9	1.8%	0.3%	0.5%

Size Class of Industries - Second Quarter 2012 (Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
9	1000+	11	18,229	11.5%
8	500-999	8	5,561	3.5%
7	250-499	34	12,314	7.7%
6	100-249	163	23,709	14.9%
5	50-99	291	19,478	12.2%
4	20-49	1,039	30,450	19.1%
3	10-19	1,658	22,325	14.0%
2	5-9	2,300	15,335	9.6%
1	0-4	7,842	11,740	7.4%
Total		13,346	159,141	100.0%

Largest Private Employers - June 2012

Employer	Employees	Industry
RENOWN REGIONAL MEDICAL CENTER	2500 to 2999	General Medical
PEPPERMILL HOTEL CASINO - RENO	2000 to 2499	Casino Hotels
INTERNATIONAL GAME TECHNOLOGY	2000 to 2499	All Other Misc
SILVER LEGACY RESORT CASINO	1500 to 1999	Casino Hotels
ATLANTIS CASINO RESORT	1500 to 1999	Casino Hotels
ST. MARYS	1000 to 1499	General Medical
ELDORADO HOTEL & CASINO	1000 to 1499	Casino Hotels
GRAND SIERRA RESORT AND CASINO	1000 to 1499	Casino Hotels
CIRCUS CIRCUS CASINOSINC-RENO	1000 to 1499	Casino Hotels
SPARKS NUGGET INC.	1000 to 1499	Casino Hotels
INTEGRITY STAFFING SOLUTIONS	1000 to 1499	Temporary Help
UNITED PARCEL SERVICE	900 to 999	Couriers
WEST BUSINESS SOLUTIONS LLC	900 to 999	Telemarketing
HARRAHS RENO	600 to 699	Casino Hotels

Avg Wages By Industry - QCEW Data Second Quarter 2012

Industry	Avg. Weekly Wage
Total, All Industries	\$791
Natural Resources and Mining	\$1,799
Construction	\$927
Manufacturing	\$948
Trade, Transportation and Utilities	\$724
Information	\$1,083
Financial Activities	\$1,073
Professional and Business Service	\$1,024
Education and Health Services	\$959
Leisure and Hospitality	\$420
Other Services	\$677
Unclassified	\$1,056

Employment and Labor Force Summary

Carson City

Employment By Industry

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Nonfarm Employment	27.7	27.9	27.8	-0.2	-0.1	-0.7	-0.7%	-0.4%	-2.6%
Goods Producing Industries	2.8	3.1	2.8	-0.3	0.0	-0.3	-9.7%	0.0%	-10.1%
Manufacturing	2.3	2.5	2.3	-0.2	0.0	-0.1	-8.0%	0.0%	-5.5%
Service Producing Industries	24.9	24.8	25.0	0.1	-0.1	-0.4	0.4%	-0.4%	-1.7%
Trade, Transportation & Utilities	3.8	3.8	3.8	0.0	0.0	-0.1	0.0%	0.0%	-2.2%
Retail	2.9	2.9	2.9	0.0	0.0	-0.1	0.0%	0.0%	-3.2%
Professional & Business Services	1.9	2.0	2.0	-0.1	-0.1	0.0	-5.0%	-5.0%	0.0%
Leisure & Hospitality	3.3	3.3	3.3	0.0	0.0	0.0	0.0%	0.0%	1.0%
Government	9.9	9.9	9.9	0.0	0.0	-0.5	0.0%	0.0%	-4.5%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec12	Dec11	Nov12	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec11- Dec12	Nov12- Dec12	2011- 2012	Dec11- Dec12	Nov12- Dec12	2011- 2012
Total Labor Force	27.1	28.2	27.2	-1.1	-0.1	-1.0	-3.9%	-0.4%	-3.5%
Unemployment	2.7	3.6	2.8	-0.9	-0.1	-0.5	-25.0%	-3.6%	-14.2%
Unemployment Rate	10.1%	12.8%	10.4%	**	**	**	**	**	**
Total Employment	24.4	24.6	24.4	-0.2	0.0	-0.5	-0.8%	0.0%	-1.9%

Size Class of Industries - Second Quarter 2012 (Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
08	500-999	0	0	0.0%
09	1000+	1,144	1	0.1%
10	250-499	1,247	4	0.2%
11	0-4	1,861	1,179	60.9%
12	100-249	2,141	14	0.7%
13	5-9	2,315	353	18.2%
14	10-19	2,762	205	10.6%
15	50-99	2,952	41	2.1%
16	20-49	4,131	139	7.2%
Total		18,553	1,936	100.0%

Largest Private Employers - June 2012

Employer	Employees	Industry
CARSON TAHOE HOSPITAL	1000 to 1499	General Medical
CASINO FANDANGO	300 to 399	Casinos
WAL-MART SUPERCENTER	300 to 399	Warehouse Clubs
CHROMALLOY NEVADA	300 to 399	Aircraft Engine
PCC STRUCTURALS CARSON CITY	200 to 299	Steel Investment
CLICK BOND INC	200 to 299	Bolts, Nuts, Screws,
CARSON CITY NUGGET	200 to 299	Casinos
GOLD DUST WEST CARSON CITY	200 to 299	Casino Hotels
COSTCO WHOLESALE CORP	200 to 299	Warehouse Clubs

Avg Wages By Industry - QCEW Data Second Quarter 2012

Industry	Avg. Weekly Wage
Total, All Industries	\$760
Natural Resources and Mining	*
Construction	\$739
Manufacturing	\$976
Trade, Transportation and Utilities	\$663
Information	\$908
Financial Activities	\$851
Professional and Business Service	\$785
Education and Health Services	\$1,006
Leisure and Hospitality	\$367
Other Services	\$637
Unclassified	\$1,208

Macroeconomic Fundamentals

The U.S. economy gained an average of 151,000 seasonally adjusted jobs in the fourth quarter, far below the third quarter average increase of 168,000 jobs. At year's end, payroll employment held up reasonably well despite concerns over the fiscal cliff. The goods producing sector posted positive over-the-month changes in employment and most service sector industries added jobs in the fourth quarter, with most notable gains in education and health services, professional and business services and retail. The private sector accounted for all of the job gains while the public sector shed jobs in each of the months during the last quarter of 2012.

The U.S. labor market is slowly improving. In December, payroll employment increased by 155,000 jobs. In 2012, employment growth averaged 153,000 jobs per month, the same as the last year's average monthly job gain. This is slightly above the threshold of 150,000 jobs per month needed to absorb new people entering the workforce, a reason why the U.S. has seen only a moderate change in unemployment levels.

In December, the unemployment rate stood at 7.8 percent, down from 8.5 percent a year earlier. The labor market recovery has been moderate, but the slow and steady pace of the economic recovery is the reason why the unemployment levels are still stubbornly high, despite an unprecedented level of monetary accommodation by the Federal Reserve to speed up the economic recovery. Since the

unemployment may be misrepresented by workers dropping out of the labor force, the employment-population ratio, which is the ratio of employed in the labor force to the working age population, provides an alternative way to measure the labor market and is not affected by demographic changes. The employment-population ratio has not experienced any remarkable improvement in the last three years. In December, the employment-population ratio was at 58.6 percent. The labor force participation rate, which is the share of working age people who are either employed or looking for work, currently stands at 63.6 percent and has remained flat for the last four years. Before the start of the most recent recession, 66 percent of the population over the age of 16 was in the labor force. The low labor force participation rate is a result of long-term structural changes such as an aging population and retirement, but also is an outcome of cyclical factors.

The U.S. economy grew at an annual rate of 3.1 percent in the third quarter of 2012, up from 1.3 percent in the second quarter. The real GDP growth has been on a slow growth path and is consistent with a gradually improving labor market. Over the last four quarters, the average GDP growth has been 2.6 percent. The pace has not been sufficient to accelerate job growth and make much headway against unemployment levels.

In December, the Consumer Price Index (CPI) was unchanged over-the-month on a seasonally adjusted basis, but up 1.7 percent year-over-

year before seasonal adjustment. The Core CPI increased 0.1 percent in December. On a year-over-year basis, the core CPI increased 1.9 percent. The Producer Price Index (PPI) for finished goods showed a 0.2 percent month-over-month decline in December, seasonally adjusted. Over the year, the headline and Core PPI are up 1.3 and 2.0 percent respectively. A measure of inflation based on consumption, the Personal Consumption Expenditure (PCE) Deflator, declined 0.2 percent in November, and is up 1.4 percent from a year ago. Overall, inflation is well-contained and running below the Federal Reserve's target of 2 percent. To foster stronger economic recovery, the Fed recently announced that it will tolerate medium-term inflation up to 2.5 percent amid slow labor market recovery.

The collapse of the housing market brought a sharp drop in new residential construction. While residential construction is tied to job and income growth, the housing starts are on a steady upward trend and have reached a level last seen in mid-2008. Housing starts rose to an annualized 954,000 units, a 12.1 percent gain over-the-month and 36.9 percent change over-the-year. The ISM manufacturing Index stood at 50.7 in December, barely above the expansionary threshold of 50, while the ISM nonmanufacturing Index at 56.1 shows that the U.S. service sector based economy is growing.

The Consumer Confidence Index plunged to 58.6 in January from 66.7 in December, driven largely by

Macroeconomic Fundamentals

concerns over tax hikes. The University of Michigan's Consumer Sentiment Index dropped to 72.9 in December from 82.7 in November. In January, the Index for Consumer Sentiment retreated further by declining 1.6 points.

Consumer spending accounts for about two-thirds of U.S. economic activity. Consumer spending has been slow to recover but continues to grow at a modest pace. The recent decline in consumer confidence is concerning because of the role consumer spending plays in the U.S. economy. In November, nominal spending rose 0.4 percent. In November, personal income posted a 0.6 percent growth. Though the November income growth reading was the best since February, the income growth needed to boost spending sustainably has been sluggish as a result of a weak labor market. The household saving rate was at 3.6 percent in November.

Albeit Congress reached a deal to avert a major tax hike for most households, the agreement fell short in cutting spending and dealing with the Treasury's looming debt ceiling. The fiscal cliff deal's shortcomings remain a source of uncertainty. The Treasury is close to reaching the statutory \$16.4 trillion debt ceiling. The U.S. House has voted to suspend the borrowing limit until mid-May, avoiding a potential default crisis. Now the focus is shifting to sequester, the across-the-board spending cuts scheduled to take effect March 1st.

Eurozone had a negative impact on international trade in 2012, and thus hampered global economic growth. The global outlook for 2013 is cautiously optimistic. In the last three months of 2012, the Chinese economy is showing signs of a rebound as on-year GDP growth posted the first acceleration in some time.

Susanna Powers, Economist

The economic slowdown in the

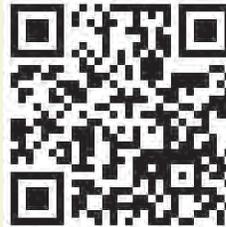
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ECONOMY IN BRIEF



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